

Bank Statement

No Fill = Clarification, Yellow = More Restrictive or Neutral, Green = Less Restrictive

	Previous	New
Age of Documentation	Credit documents must be no more than 4 months old on the note date	Credit documents must be no more than 120 days old on the note date
Appraisal	2 full appraisals required when loan amount > \$1MM	1 full appraisal required when loan amount > \$1MM and <= \$1.5 MM and LTV <= 75% . If LTV > 75%, 2 full appraisals required. If loan amount > \$1.5MM regardless of LTV, 2 full appraisals required.
	If CU or ARR/CDA does not support appraised value within tolerance, field review is required within 5% tolerance. If outside of tolerance, 2nd appraisal is required.	If CU or ARR/CDA does not support appraised value within tolerance, second appraisal is required (i.e. removing field review requirement and moving straight to 2nd appraisal). The lesser of the two appraised values are used for LTV purposes.
	The subject property in a refinance transaction must not be currently listed for sale. It must be taken off the market on or before the disbursement date of the new mortgage loan. The borrower must confirm their intent to occupy the subject property (for principle residence transactions).	The subject property in a refinance transaction must not be currently listed for sale. It must be taken off the market on or before the note date of the new mortgage loan. The borrower must confirm their intent to occupy the subject property (for principle residence transactions).
	Unpermitted additions require cost to cure whereby percentage of cost to cure reduces max LTV, otherwise, home must be converted back to original use	Eliminated requirement (follow Fannie Mae guidelines)
Assets	Funds in the borrower's business account(s) ≤ 50% of account balance may be counted toward down payment, closing costs, and reserves so long as borrower(s) and/or non-borrowing spouse/domestic partner or family members have a cumulative 100% ownership interest in the business (e.g., Sole Proprietor, S Corp, Corporation, LLC). A non-borrowing spouse/domestic partner or family members who are the only other co-owners of the business are acceptable and must provide a letter allowing the borrower to access the funds in the business account.	Business funds are an acceptable source for down payment, closing costs, and reserves for self-employed borrowers. Ownership percentage and authority to access funds must be documented via CPA Letter, Operating Agreement or equivalent. The balance of the business assets must be multiplied by the ownership percentage to determine the owner's portion of the business assets allowed for the transaction. Large deposits must be sourced to validate the funds are eligible.
	No reference	Any foreign assets deposited into a U.S. financial institution must be sourced and seasoned for a minimum of 60 days at loan application
Cash-Out Refinance	There is no ownership seasoning requirement for a cash-out refinance when at least one borrower on the new loan is an original purchaser (CCM allows with no restrictions).	At least one borrower must have been on title for 6 months or have made payments on the existing mortgage for 6 months to be eligible for a cash-out refinance (i.e. 6 month seasoning required).
Credit	Max 1x30x12 for mortgage and/or rental rating. Borrowers must have satisfactory consecutive 12 month rent or mortgage payment history in the 3 years prior to application. Example: Borrower must have paid monthly rent or mortgage payment for at least one month during this prior 3 year period and for the previous consecutive 11 months. The entire 12 month history must be consecutive but it does not have to be fully contained within the prior 3 year period.	Non First-Time Homebuyers who cannot document a verifiable payment history for the most recent consecutive 12 months (i.e. no pmt history or short pmt history) are eligible subject to a minimum 680 FICO requirement.
	Mortgages that do not appear on credit must be supported by an institutional VOM. Private party VOM requires 12 months cancelled checks or bank statements.	Mortgages that do not appear on credit must be supported by an institutional VOM. Private party VOM requires 12 months cancelled checks or bank statements. Mortgages not rated on credit must be max 0x30 in months 1-6 and max of 1x30 in months 7-12.
	If the borrower is refinancing a loan with a prior modification/restructure then credit requirement is increased to 0x30 in the last 12 months for all mortgages.	Requirement eliminated , fall back on standard 1x30x12 requirement.
	Tradeline requirements apply to all borrowers.	Tradeline requirements apply only to borrowers who contribute income or assets in loan qualification .
	For borrowers who currently own all property free and clear there is no mortgage history requirement.	No Change but rather a clarification that the 1x30x12 requirement still applies (e.g. all properties free and clear now but a mortgage was recently closed in the last 12 months whereby the mortgage rating exceeds 1x30x12)
	Disputed Account protocol as follows: <ul style="list-style-type: none"> • Zero balance and no derogatory information – no action required • Zero balance and derogatory information - remove and pull new credit report • A positive balance and no derogatory information– remove and pull new credit report • A positive balance and derogatory information– remove and pull new credit report 	Disputed Account Protocol as follows: <ul style="list-style-type: none"> • If the disputed account(s) has no derogatory information – the underwriter must evaluate for acceptability and address their decision on the 1008. • If the disputed account(s) has derogatory information – the dispute must be removed and a new credit report must be pulled.
Judgments and Tax Liens on title must be paid.	Judgments and Tax Liens on title must be paid. If there is evidence in the file of judgments and/or tax liens and they are not on title, cumulative balances exceeding \$5000 must be paid. Pay down of cumulative balances to \$5000 or below is allowed.	
Disaster Area	Property re-inspection required when FEMA makes available individual and public assistance	Property re-inspection required when FEMA makes available individual assistance (i.e. eliminated requirement when only public assistance is made available).
DTI	For loans with DTI > 43% underwriter may require additional reserves based on borrower's residual income after total debt payments. Refer to VA residual income requirements. See VA Residual Income Calculation and VA Residual Income Tables. Maximum increase of six (6) months reserves. Additional reserves are not required if the residual income exceeds the table amount by over 20%.	Same requirements but VA Residual Income Tables have been replaced with the following requirements: 1) DTI <= 50% = \$1500 + \$150 for each additional family member, 2) DTI > 50% = \$2000 + \$150 for each additional family member
Eligibility Buckets (LTV/CLTV/HCLTV, FICO, Loan Amount)	Current buckets	New buckets created in 5% LTV increments inclusive of a 640 FICO bucket

Escrows/Impounds	Escrow Holdbacks allowed for weather related repairs on purchase transactions only	Escrow Holdbacks not allowed
	Impounds for taxes and/or insurance are not required	Impounds for flood insurance are required when the subject property is located in a flood zone. Impounds for taxes and hazard insurance are still not required.
First Time Home Buyer	FTHB must have satisfactory consecutive 12 month rent history in the 3 years prior to application. Example: Borrower must have paid monthly rent or mortgage payment for at least one month during this prior 3 year period and for the previous consecutive 11 months. The entire 12 month history must be consecutive but it does not have to be fully contained within the prior 3 year period. Borrower without a verifiable rental history may be allowed with all of the following: 1) Maximum 75% LTV or existing guidelines, whichever is lower 2) Borrower must have a minimum of 5% of own funds as down payment	A 3rd party VOR from a management company is required documenting a payment history not to exceed 1x30 in the 12 months prior to the application date. If the VOR is from a private party, canceled checks or bank statements are required to support the VOR. o If the borrower cannot meet the above requirement, "rent free" status + a previous 12-month VOR may be considered on a case by case basis. o If no VOR or if "rent free" + a previous 12-month VOR is not acceptable, loan may proceed if: 1) Max 75% LTV, <u>and</u> 2) Minimum 680 FICO
	Gift funds are not allowed for reserves	Gift funds are allowed for reserves provided the subject property is a primary residence or second home AND a minimum 680 FICO
Income (Non-Rental Related)	Boarder income allowed for primary residence and second home provided certain conditions are met	Boarder income allowed for primary residence only provided certain conditions are met
	No current reference	Added verification/documentation requirements for Boarder Income
	All assets must be in a U.S. financial institution—No Foreign Assets	Any foreign assets deposited into a U.S. financial institution must be sourced and seasoned for a minimum of 60 days at loan application
	VA residual income tables are used to determine residual income minimums for compensating factor purposes	Residual income may be cited as a compensating factor when the following minimum residual income requirements are met: 1) DTI <= 50% = \$1500 + \$150 for each additional family member, 2) DTI > 50% = \$2000 + \$150 for each additional family member
	Employment Offers or Contracts follow FNMA guidelines which allow for income documentation (other than the employment offer or contract) to be obtained post-closing	A borrower must be currently working prior to loan closing as evidenced by a current paystub or written verification of employment (WVOE). The income documentation must include sufficient information to support the income used to qualify.
	Self-Employment Income: Existence of borrower's business must be verified within 120 calendar days of the note date	Self-Employment Income: Existence of borrower's business must be verified within 30 calendar days of the note date
	No reference to reducing a self-employed borrower's qualifying income by their ownership percentage in their business (the income calculators do this, but the guidelines and corresponding examples do not)	After applying the applicable expense factor, income must be multiplied by the borrower's ownership interest in the business. In order to determine a borrower's ownership interest in the business, documentation such as an Operating Agreement (LLC) or Articles of Incorporation (S-Corp) are required.
	No current reference	Added foreign businesses as ineligible business
Income (Rental Related)	An expired lease agreement that has verbiage that states the lease agreement becomes a month-to-month lease once the initial lease/rental term expires is allowed.	An expired lease agreement that has verbiage that states the lease agreement becomes a month-to-month lease once the initial lease/rental term expires is allowed with evidence of 3 months' receipt of the rental income amount.
	No reference	When a lease is used for rental income, the rent amount must be discounted by a 25% vacancy factor unless the borrower can document the most recent 3 months' receipt of rental income.
	No current reference	If the borrower is converting a current principal residence to an investment property, a lease agreement and evidence of security deposit and/or first months' rent may be used to qualify rental income.
	Vacation Rentals (e.g. VRBO, Airbnb, HomeAway) are ineligible	Short-term Rentals are permitted. In these cases, proof of receipt for the most recent 12 months is required. If there are months where the property was vacant, use zero for that month in the average. **Rebranded vacation rentals as short-term rentals and removed reference to VRBO, Airbnb, HomeAway. Also requiring 12 mos proof of receipt.
Multiple Financed Properties	Borrowers are limited to eight (8) loans with Impac not to exceed \$2,000,000. If borrower only has one (1) loan with Impac, including the subject property, that loan may not exceed \$2,000,000	Borrowers are limited to eight (8) loans with Impac not to exceed \$3,000,000 . If borrower only has one (1) loan with Impac, including the subject property, that loan may not exceed \$3,000,000 . Also removed following requirements: 1) Borrower may have Impac financing on maximum 10% of properties in a PUD or condo project, 2) Impac financing limited to overall concentration of 20% in any Florida condo project
Occupancy	Second Homes – 1-2 unit only • For 2-unit second homes, one unit must be available for the borrower's exclusive use, no rental or time sharing arrangements in the borrower's exclusive unit • Must be suitable for year round use • Must be located in a recognized vacation area typical for second home properties (e.g., beach, ski, golf, resort) • Must be a reasonable distance from borrower's current owner-occupied property	Second Homes – 1-2 unit only • For 2-unit second homes, one unit must be available for the borrower's exclusive use, no rental or time sharing arrangements in the borrower's exclusive unit • Must be suitable for year round use • Should typically be located in a recognized vacation area typical for second home properties (e.g., beach, ski, golf, resort) • Must be a reasonable distance from borrower's current owner-occupied property • Must be occupied by the borrower for some portion of the year
Property Eligibility	Limited Review for attached investment property unit in a condo project allowed up to 70% LTV/CLTV/HCLTV (non-Florida) and ineligible for Florida condos	Limited Review for attached investment property unit in a condo project allowed up to 75% LTV/CLTV/HCLTV (non-Florida) and up to 70/75/75% LTV/CLTV/HCLTV for Florida condos (i.e. aligns with current Fannie Mae guidelines)
	Detached condos and 2-4 unit condos eligible for Limited Review	Detached condos and 2-4 unit condos eligible for Project Waiver provided the project is not a condo hotel or motel, houseboat project, or a timeshare or segmented ownership project
	Impac financing is limited to maximum overall concentration of 20% in any Florida condominium project. This limitation is per project and not per borrower.	Removed restriction

	New or newly converted condo projects in Florida are limited to 60% LTV/CLTV/HCLTV.	Removed restriction
	Acreage > 20 acres, agricultural zoning, log homes, mixed use and properties subject to oil and/or gas leases show as Ineligible but potentially eligible on a case by case basis	Acreage > 20 acres, agricultural zoning, log homes, mixed use and properties subject to oil and/or gas leases show as Unique Properties which may be eligible on a case by case basis. Appraisal must provide similar comparables and address marketability concerns. Additional restrictions may apply (e.g. LTV max of 80%).
Rate/Term Refinance	No reference to maximum cash out on a rate/term refinance (i.e. follow Fannie Mae guidelines - lesser of \$2000 or 2% of the loan amount)	Maximum cash-out may not exceed the greater of 1% of the loan amount or \$2000 (i.e. follow Freddie Mac's guidelines).
Reserves	For refinance transactions where the loan amounts ≤ \$679,650, required reserves may be waived when all borrowers meet all of the following: 1) 0x30x12 VOM/VOR, 2) payment on new loan is decreasing, and 3) the borrower(s) must not have any history of bankruptcy, foreclosure, short sale, or deed-in-lieu in order to waive reserves	For rate/term refinance transactions (removed loan amount restriction) , required reserves may be waived when all borrowers meet all of the following: 1) 0x30x12 VOM/VOR (must be consecutive, no short/missing payment history allowed), 2) minimum 680 FICO , and 3) the borrower(s) must not have any history of bankruptcy, foreclosure, short sale, or deed-in-lieu in order to waive reserves
	No reference	Stock options are an ineligible source of reserves unless they are liquidated
	Number of months in required reserves are based on the subject property PITIA. However, there is no reference to how the P&I of the PITIA is calculated - particularly when the loan is an ARM.	Clarity provided that P&I for reserves calculation purposes follows the same methodology as P&I for DTI/DSCR calculation purposes. P&I qualifies at the note rate for fixed rate loans. For ARM loans, P&I qualifies at the higher of the note rate or the fully indexed rate for all loan programs except for NQM Investor. NQM Investor qualifies at the note rate.
	Reserves for financed properties with a recent 12 month paid-as-agreed history may be waived except when the subject property loan amount is > \$679,650	Reserves for financed properties with a recent 12 month paid-as-agreed history may be waived except when the subject property loan amount is > \$1,000,000
Trusts	No current call out	Only trusts with natural person members are allowed
	No current call out for Privacy trusts, Nominee Trusts or Blind Trusts	Privacy Trusts will be considered on a case-by-case basis. Nominee and Blind Trusts are ineligible.
Vesting	No current call out	Ineligible Vesting: 1) Trusts or LLCs whose members include other LLCs, corporations, partnerships, or trusts, 2) Trusts or LLCs where a Power of Attorney is used, 3) 501(c)(3) organizations, 4) LLCs, 5) Corporations and 6) Partnerships